Gail & Rice

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Dear Chairman Nofs,

I am writing in support of your energy legislation – Senate Bill 437 - that puts Michigan first, and Gail & Rice supports the goals of ensuring reliability, affordability, and flexibility in our next energy policy. We consider adoption of this legislation critical to the long term health of our company and the state.

Michigan is entering a period of dramatic transformation within our energy sector. Over the next decade, environmental regulations and the age of our power plants will provide a great opportunity for Michigan to transform its electric generation landscape into a cleaner, more diverse portfolio. This transformation will be driven primarily by significant capital investments in our state' energy infrastructure. These investments are necessary to maintaining the same standard of service we enjoy today.

In addition to new generation, energy waste reduction will play a critical role in Michigan's energy future. As a company that supports businesses within the energy efficiency sector here in Michigan, we are excited about these opportunities and what they can mean to our future businesses. Michigan's energy policy must build in flexibility to ensure additional investments in energy efficiency are done in a holistic and cost-effective way.

This flexibility is critical toward accounting for changing market conditions, emerging environmental regulations and new technologies. A key component to achieving this flexibility will be the development of a strong Integrated Resource Planning (IRP) process that is transparent, agile and ensures affordability and reliability for Michigan's families and businesses. The legislative provisions you have put forth to create an IRP are critical to not only ensuring reliability; they are also key to securing a cleaner and more affordable energy future. We recommend that you take action on these important policy reforms and secure Michigan's energy future.

Sincerely,

Geffrey F. Phillips Account Director Gail & Rice, Inc.